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January 12, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Joint Application by Southwestern Bell for Provision of In-
Region, InterLATA Services in Kansas and Oklahoma,
CC Docket No. 00-217**

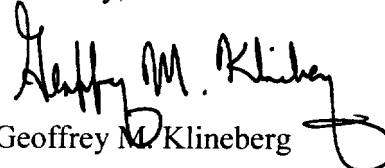
Dear Ms. Salas:

Pursuant to Public Notice No. DA 00-2917 (FCC Dec. 28, 2000), Southwestern Bell is hereby filing an original and two copies of its reply comments regarding the December 28, 2000, Ex Parte Letter. Please date-stamp the extra copy of this letter and return it to the individual delivering this package.

We are also submitting (under separate cover) copies of these Reply Comments to Janice Myles, Policy and Program Planning Division, Common Carrier Bureau, Federal Communications Commission, Room 5-C-327, 455 12th Street, S.W., Washington, D.C. 20554, the Department of Justice, the Oklahoma Corporation Commission, the Kansas Corporation Commission, and to ITS (the Commission's copy contractor).

If you have any questions, please call me at 202-326-7928.

Sincerely,


Geoffrey M. Klineberg

Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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CC Docket No. 00-217

In the Matter of

Joint Application by SBC Communications
Inc., Southwestern Bell Telephone Company,
and Southwestern Bell Communications
Services, Inc. d/b/a Southwestern Bell Long
Distance for Provision of In-Region,
InterLATA Services in Kansas and Oklahoma

To: The Commission

**REPLY COMMENTS OF SOUTHWESTERN BELL
REGARDING THE DECEMBER 28, 2000, EX PARTE LETTER**

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January 12, 2001

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**Before the
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Washington, D.C. 20554**

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CC Docket No. 00-217

To: The Commission

**REPLY COMMENTS OF SOUTHWESTERN BELL
REGARDING THE DECEMBER 28, 2000, EX PARTE LETTER**

Pursuant to the Commission's Public Notice dated December 28, 2000, DA 00-2917, Southwestern Bell respectfully files these comments replying to the comments filed on January 8, 2001.

INTRODUCTION

On December 28, 2000, Southwestern Bell submitted an ex parte letter in which it attempted to allay certain concerns expressed by the Department of Justice and others that some of the Kansas and Oklahoma rates were too high when compared with the rates in Texas. Specifically, Southwestern Bell agreed to a voluntary reduction of some of the TELRIC-based non-recurring rates in Kansas and some of the TELRIC-based recurring and non-recurring rates in Oklahoma. Southwestern Bell agreed to these discounted rates in conjunction with its section 271 interconnection agreements in Oklahoma ("O2A") and Kansas ("K2A") and to make these

new rates available through pricing amendments to the UNE Appendices of both the O2A and the K2A.

Southwestern Bell has now issued two Accessible Letters – one for Kansas (see Tab A) and one for Oklahoma (see Tab B) – providing that the rates are immediately available for adoption by any CLEC that wishes to enter into the K2A or O2A (as appropriate) or to amend its existing and approved K2A or O2A. In addition, a CLEC may “MFN” into an approved agreement and thereby obtain the new rates together with any legitimately related provisions. On January 5, 2001, in its Order Approving Revisions to the K2A, the Kansas Corporation Commission (“KCC”) expressly approved the new rates and provided that they were to take effect immediately.¹ On January 10, 2001, the Oklahoma Corporation Commission (“OCC”) approved an interconnection agreement between Southwestern Bell and Logix Communications Corporation which expressly incorporated the new rates. See Tab C.² In other words, in both Kansas and Oklahoma, the new rates announced in the December 28, 2000, Ex Parte Letter are now in effect and available to all CLECs interested in doing business in either state, including those who have not opted into the O2A or K2A or who may be negotiating a unique agreement.

Southwestern Bell recognizes that the Commission generally requires applications under section 271 to include, at the time of the original application, all of the factual evidence on which the Commission should rely. This is a sensible requirement, for it avoids creating a moving target for the applicant, the Commission, and other parties wishing to comment on the

¹ See Ex Parte Letter from Eva Powers, Assistant General Counsel, KCC, to Magalie Roman Salas, Jan. 5, 2001, Attach. (“KCC Approval Order”).

² Cox Communications, Inc. is wrong, therefore, when it suggests in its January 8 Comments (at 4) that the reduced rates would not be available to carriers with current interconnection agreements or to carriers now negotiating their own agreements. Because the OCC has now approved the Logix agreement, any carrier in Oklahoma may “MFN” into the new rates (together with any legitimately related provisions) pursuant to section 252(i).

application. But it is important to recognize not only that this procedural requirement may be waived at the Commission's discretion but also that its central purpose is to prevent the introduction of factual evidence under circumstances where other parties have no meaningful opportunity to comment on the veracity of the information. See Memorandum Opinion and Order, Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in Michigan, 12 FCC Rcd 20543, 20572, ¶ 52 (1997). In this case, of course, this Commission has given all interested parties notice and an opportunity to comment through the Public Notice of December 28, 2000. And, more significantly, the kind of "new factual evidence" at issue here – a voluntary reduction in UNE rates – is not the sort of evidence that requires verification or analysis before it can be accepted as reliable.³ Under these circumstances, there is no legitimate reason why this Commission should refuse to recognize that Southwestern Bell has voluntarily reduced UNE rates in both Kansas and Oklahoma since this Joint Application was filed. As discussed below, Southwestern Bell's Joint Application does not depend at all on these new rates, but they are a fact that ought not to be ignored.

DISCUSSION

Rather than welcoming the further reduction in UNE rates, the comments filed on January 8 criticize Southwestern Bell's decision to lower its rates, arguing that it is inappropriate for this Commission to consider these rates at this stage in the proceeding and that, in any case, the new rates are still too high to survive a comparison with rates in Texas. These criticisms mischaracterize the record in this proceeding and misunderstand the purpose and effect of these

³ Anyone may request a copy of the O2A and K2A or access Southwestern Bell's CLEC web site to verify that the prices offered in Attachment 6 are those described in the December 28, 2000, Ex Parte Letter.

new rates. As Southwestern Bell has demonstrated, the original rates approved by the KCC and OCC and incorporated into the K2A and the O2A, respectively, are the direct result of the application by the state commissions of this Commission's basic TELRIC principles in proceedings unrelated to Southwestern Bell's section 271 applications. No CLEC in either Oklahoma or Kansas ever challenged in court either the TELRIC methodologies utilized by the KCC or the OCC or the rates established by the KCC or OCC under section 252. Instead, these CLECs have chosen to raise their objections to these rates in this section 271 proceeding, arguing for the first time that these rates must be unlawful because they are, in some cases, higher than comparable rates established by the Texas Public Utility Commission.⁴

Notwithstanding the fact that this argument is a complete non sequitur, Southwestern Bell has agreed to reduce certain of these rates in Kansas and Oklahoma in an effort to respond to the perception that they are somehow too high. But Southwestern Bell is not purporting to rely on these new rates as a basis for its Joint Application. The reduced rates merely represent a practical response to a problem identified for the first time in this proceeding, and they reflect additional discounts off rates that are already entirely consistent with the requirements of sections 251(c)(3) and 252(d)(1).

I. The KCC and the OCC Established TELRIC-Based Rates

This Commission does not review rates de novo in a section 271 proceeding. AT&T Corp. v. FCC, 220 F.3d 607, 615 (D.C. Cir. 2000); see also Memorandum Opinion and Order,

⁴ That CLECs would wait to raise these issues for the first time in this proceeding is indefensible, particularly in light of this Commission's view that it "will look to the state to resolve factual disputes wherever possible." Memorandum Opinion and Order, Application by SBC Communications Inc., et al., Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas, CC Docket No. 00-65, FCC 00-238, ¶ 51 (rel. June 30, 2000).

Application by Bell Atlantic New York for Authorization Under Section 271 of the
Communications Act To Provide In-Region, InterLATA Service in the State of New York, 15

FCC Rcd 3953, 4084, ¶ 244 (1999) (“New York Order”). This Commission’s role is to
determine whether a state’s rates comply with basic TELRIC principles:

In reviewing state pricing decisions in the context of section 271 applications, we
will not reject an application because isolated factual findings by a commission
might be different from what we might have found if we were arbitrating the
matter under section 252(e)(5). Rather, we will reject the application only if basic
TELRIC principles are violated or the state commission makes clear errors in
factual findings on matters so substantial that the end result falls outside the range
that the reasonable application of TELRIC principles would produce.

Id., at 4084, ¶ 244.

A. Kansas

The record in this proceeding overwhelmingly supports the conclusion that the KCC’s
process for establishing recurring and non-recurring rates for UNEs, interconnection and
collocation was based on TELRIC principles. See generally Cleek Aff. ¶¶ 13-24; Cleek Reply
Aff. ¶¶ 2-25, 36; Ries/B. Smith Joint Reply Aff. ¶¶ 38-41, 65-70. As Southwestern Bell
discussed in its Reply Brief (at 11-16), the prices ultimately approved by the KCC were based on
TELRIC models. See KCC Report at 21. The KCC “evaluate[d] the costs and determine[d] the
prices for UNEs and interconnection on a forward-looking, non-discriminatory basis that
includes a reasonable profit.” Final Order Establishing SWBT’s Prices for Interconnection and
UNEs, Joint Application of Sprint Communications Co. et al. for the Commission to Open a
Generic Proceeding on Southwestern Bell Telephone Company’s Rates for Interconnection,
Unbundled Elements, Transport and Termination, and Resale, Docket No. 97-SCCC-149-GIT,
¶ 71 (KCC Feb. 19, 1999) [App. G, Tab 22]. It adopted “prices within the range of participants’
proposals” and concluded that the prices it adopted “are based on the TELRIC cost of UNEs and

interconnection and are just and reasonable.” Id. ¶ 72. Indeed, until this Joint Application for section 271 was filed with this Commission, no CLEC had challenged the KCC’s methodology for setting rates as inconsistent with TELRIC principles.⁵

The KCC itself has unambiguously confirmed that the rates established for UNEs and interconnection in Kansas were set according to TELRIC principles: “The KCC has carefully fulfilled its responsibility by setting rates based on the TELRIC principles promulgated by the FCC. . . . While the KCC does not know what methods were used in Texas, in Kansas the cost studies used were TELRIC based.” KCC Reply Comments at 2-3. In its opening comments, the KCC described the process for establishing TELRIC-based rates in Kansas as follows:

SWBT filed forward-looking TELRIC studies, which were reviewed extensively by Staff, AT&T and CURB. AT&T filed its own TELRIC studies for many UNEs. After the [KCC] made numerous modifications to SWBT’s study factors, SWBT reran its studies. The [KCC] issued an order on February 19, 1999, setting recurring rates. The parties were allowed to file additional studies and comments on nonrecurring rates, while interim rates were used. Staff’s Report, 41. The Commission issued an order setting nonrecurring rates on November 3, 2000. . . . The [KCC] accepts Staff’s recommendation and concludes SWBT has established it provides network elements in a nondiscriminatory manner and finds SWBT in compliance with checklist item 2.

KCC Report at 21. Moreover, “[r]ates for the various components of interconnection were established by the Commission in Docket No. 97-SCCC-149-GI based on TELRIC. . . . The [KCC] concludes SWBT’s collocation offerings and rates for interconnection meet the requirements imposed by the Act.” Id. at 9.⁶

⁵ In fact, SWBT is the only party to the Kansas cost proceeding that challenged the KCC’s pricing methodology, precisely because the KCC did apply TELRIC principles in violation of the decision of the Eighth Circuit Court of Appeals. No CLEC has argued in any judicial proceeding that the KCC has failed to apply TELRIC principles. See Cleek Reply Aff. ¶ 14.

⁶ In a letter to the Commissioners, KCC Chairman John Wine explained that the “Kansas Commission has performed an in-depth review of Southwestern Bell’s compliance with the check list items. We have set prices in accordance with the TELRIC principles determined by

Most recently, in its Order Approving Revisions to the K2A, the KCC supported the new rates because they “should encourage competition”; but it “maintain[ed] that the recurring and non-recurring rates it set for unbundled network elements are in accord with the TELRIC methodology.” KCC Approval Order ¶ 5. The KCC clearly followed this Commission’s basic TELRIC principles in establishing the rates in Kansas. There is no evidence that the KCC committed “clear errors in factual findings on matters so substantial that the end result falls outside the range that the reasonable application of TELRIC principles would produce.” New York Order, 15 FCC Rcd at 4084, ¶ 244. The reductions contained in the December 28, 2000, Ex Parte Letter merely lowers rates already within the range of reasonableness.⁷

B. Oklahoma

As Southwestern Bell has already explained, see Reply Br. at 16-24, the cost studies that SWBT submitted to the OCC complied in all respects with this Commission’s TELRIC methodology. See Ries/B. Smith Joint Reply Aff. ¶¶ 5-50. They were not based on embedded costs; rather, they reflected a forward-looking network, with inputs modified to reflect the most efficient technology. Id. ¶¶ 20, 53. The rates that SWBT proposed to the OCC were based on

you. . . . I am very confident through the work we have done in Kansas that Southwestern Bell of Kansas meets all the checklist items, that it offers unbundled network elements at TELRIC prices and that Southwestern Bell’s Kansas market is open for competition. Our November 20, 2000 Report confirms that Southwestern Bell meets the requirements of section 271 and should be granted in-region interLATA authority.” See Ex Parte Letter from KCC Chairman John Wine to FCC Chairman William E. Kennard and FCC Commissioners, FCC filed Dec. 12, 2000, at 1.

⁷ AT&T asserts that, “if discounting the November 3 rates would produce a rate lower than the [KCC] approved in the Reconsideration Order, SBC proposes to use the reconsideration rate with no discount.” AT&T Jan. 8 Comments at 10. This is false. As Southwestern Bell clearly explained in its December 28, 2000, Ex Parte Letter, “[i]f an NRC prescribed by the KCC in its Order on Reconsideration of December 22, 2000, is lower than the one that would be obtained from applying the 25 percent discount to the NRCs prescribed in the KCC’s November 3, 2000 Order, then the lower NRC will apply. In other words, SWBT will offer whichever rate is lower.” Ex Parte Letter from Geoffrey M. Klineberg to Magalie Roman Salas, Dec. 28, 2000, at 2 (emphasis added).

those TELRIC studies. See Ries OK Aff. ¶ 8; 1998 Oklahoma ALJ Report at 51-52.⁸ The OCC then evaluated SWBT's proposed costs and prices, as well as cost and price submissions by AT&T, Cox, and the OCC Staff. See Ries OK Aff. ¶ 8; 1998 Oklahoma ALJ Report at 51-55. All of the parties to the pricing dockets, including AT&T, stipulated to SWBT's cost methodology and agreed to challenge only the "inputs" (i.e., the underlying cost numbers) utilized in SWBT's cost studies. Jones Reply Aff. ¶ 6. The parties agreed not to dispute the cost methodology itself, and AT&T never appealed the OCC's rate determinations under section 252. See id. ¶ 32.

In its final approval order, the OCC expressly found that "[t]he rates contained in the stipulations which are approved by this Order comply with the costing provisions of [the OCC rules] and Section 252 of the Act." OCC Order No. 424864, at 3 [App. G, Tab 17]. The OCC reached this conclusion after a 15-month investigation, in which the ALJ thoroughly reviewed all of the submitted cost studies and held a full evidentiary hearing. Jones Aff. ¶¶ 35-37; Jones Reply Aff. ¶ 7. The OCC relied on the ALJ's 167-page report, approving stipulated rates that were "based upon an analysis of the costs presented by the parties in this proceeding and are thus, cost-based and clearly supported by the evidence." 1998 Oklahoma ALJ Report at 156.

Of course, in Oklahoma, the OCC established rates for certain UNEs below the TELRIC-based rates as part of the alternative pricing regulation plan known as the "Alt Reg" or "Oklahoma Plan." Jones Aff. ¶ 38. The stipulation was the result of extensive industry meetings, which included AT&T, WorldCom, Sprint, Birch, Logix, Cox, the OCC Staff, SWBT, the Office of the Oklahoma Attorney General, and various other competitive and independent

⁸ The 1998 Oklahoma ALJ Report was attached to the Ex Parte Letter from Geoffrey M. Klineberg to Magalie Roman Salas, Nov. 29, 2000.

local exchange companies. Jones Reply Aff. ¶¶ 17-18. The Alt Reg stipulation established discounts of up to 25 percent off of SWBT's recurring cost-based rates associated with the UNE platform itself, basic unbundled loops and loop cross connects, UNE ports, and unbundled dedicated transport. These were the elements specifically identified by CLECs to be discounted in order for them to "do business in Oklahoma." *Id.* ¶¶ 24, 28.

The Alt Reg plan also discounts the non-recurring charges for many frequently used UNEs as much as 35 percent. These rates have been publicly available since June 15, 2000, to all CLECs whether or not they have opted into the O2A.

The December 28, 2000, Ex Parte Letter reduced rates even further. It extended the Alt Reg discounts, for the four-year term of the O2A, to recurring charges for all UNE loops, and applied up to a 25% discount to almost all non-recurring charges. Because these new reductions represent, in many cases, discounts off of rates that have already been reduced from the cost-based rates established by the OCC, there is simply no question that these new rates are well within the zone of reasonableness. The December 28, 2000, Ex Parte Letter also lifted the line-threshold limitation, so these lower rates are no longer dependent on the level of competition.

Notwithstanding its criticisms of the OCC rates in this section 271 proceeding, AT&T has never raised the issue of TELRIC costs or the resulting rates before the OCC. Most significantly, as part of the arbitration over the new SWBT/AT&T interconnection agreement in Oklahoma, for which hearings before the OCC were held this week – on January 8 and 9, 2001 – AT&T voluntarily agreed to accept the original O2A rates in the new agreement. In other words, AT&T did not even seek to arbitrate the O2A rates and argue to the OCC, as it has to this Commission, that these rates are inconsistent with TELRIC. If AT&T had serious concerns about the UNE and interconnection rates associated with the O2A, this would have been the

occasion to raise them. Instead, they accepted the original O2A rates without objection. Under these circumstances, it is difficult to take seriously AT&T's complaints in this proceeding about the rates in Oklahoma. With the Alt Reg rates and the further reductions described in Southwestern Bell's December 28, 2000, Ex Parte Letter, all CLECs will now benefit from rates considerably lower than the ones that AT&T has already voluntarily adopted.

II. The TELRIC Methodology Reasonably Yields Different Rates in Different States

The CLECs criticizing Southwestern Bell's voluntary reductions complain that the resulting rates cannot be cost-based because they generally remain higher than the rates found to be TELRIC based in Texas. But TELRIC is not a specific formula; rather, it is a framework of principles that govern pricing determinations. As this Commission has already concluded, "while TELRIC consists of 'methodological principles' for setting prices, states retain flexibility to consider 'local technological, environmental, regulatory, and economic conditions.'" New York Order ¶ 244 (quoting Local Competition Order, 11 FCC Rcd at 15559, ¶ 114). And the D.C. Circuit has agreed: "In other words, while state commissions use TELRIC to establish rates, application of TELRIC principles may result in different rates in different states." AT&T Corp., 220 F.3d at 615.

Southwestern Bell has demonstrated in this record that costs are higher in Kansas and Oklahoma than in Texas. See Reply Br. at 7-11; Ries/B. Smith Joint Reply Aff. ¶¶ 35-41 & Attachs. B, C & D. It is extraordinary, for example, that AT&T's witness could state that "SBC has provided no verifiable cost justification for this recurring cost excess in Oklahoma versus Kansas and Texas" (AT&T's Jan. 8 Clarke Decl. ¶ 6) when he evidently did not review the

confidential attachments to the Ries/B. Smith Joint Reply Affidavit.⁹ As Thomas Ries and Barbara Smith explain in their attached Supplemental Reply Affidavit (see Tab D), the evidence is overwhelming that there are differences in costs among Oklahoma, Kansas, and Texas and that these differences are reflected in differences in rates.

III. Rates Must Be Based on Cost, Not on What May Be Necessary To Guarantee Competitive Entry

AT&T criticizes the rates in both states because they “have so effectively foreclosed any significant competition,” AT&T Jan. 8 Comments at 1. Of course, as discussed above, AT&T’s voluntary acceptance of the O2A rates belies this claim. WorldCom argues that the rates must be unlawful because WorldCom “would lose money every month on every customer in every zone.” WorldCom Jan. 8 Comments at 10. But as Southwestern Bell has already demonstrated (Reply Br. at 24-26), section 252(d)(1) clearly provides that rates must be based on cost, not on what a CLEC needs to make a profit. That cost-based rates might prove too high for WorldCom to enter the market does not make the rates unlawful under the statute.

In any case, the evidence is clear that the cost-based rates are not too high for every competitor. Birch Telecom, Inc. and Ionex are providing business and residential services in Kansas over the UNE platform. See Reply Br. at 73; see also Ex Parte Letter from Edwardo (Eddie) Rodriguez, SBC, to Magalie Roman Salas, Dec. 20, 2000, Attach. (“SBC’s Dec. 20 Ex Parte”); Ex Parte Letter from Gregory C. Lawhon, Birch Telecom, Inc., to Magalie Roman Salas, Dec. 29, 2000 (“Birch’s Dec. 29 Ex Parte”). Similarly, Brooks Fiber and Logix have apparently

⁹ Southwestern Bell assumes that Dr. Clarke did not review the confidential attachments, not only because he appears to be unaware of the evidence they contain but also because he apparently did not sign a certification that he had read and would abide by the protective order.

found the rates in Oklahoma to be sufficiently attractive to begin competing in the provision of residential services over the UNE platform. See J. G. Smith Reply Aff. ¶ 14 & Table 5.

IV. Additional Issues

In its Public Notice of December 28, 2000, the Commission was quite clear that it was requesting comment only on Southwestern Bell's December 28, 2000, Ex Parte Letter.

Nevertheless, a number of parties have chosen to address issues having nothing to do with Southwestern Bell's voluntary rate reductions. Rather than perpetuate this clear violation of the Commission's notice, Southwestern Bell will simply identify where, in the existing record, the Commission will find Southwestern Bell's response:

- For Metromedia Fiber Network Services, Inc.'s ("MFNS") complaints about collocation (at 4), see Sparks Reply Aff. ¶¶ 20-26. MFNS did not raise this issue with the KCC or the OCC. In fact, MFNS does not even have interconnection agreements with SWBT in either of those states. Nevertheless, Southwestern Bell and MFNS have now reached a Memorandum of Understanding regarding this issue, and Southwestern Bell has demonstrated it has met its obligations for legitimate collocation requests.
- For Sprint's complaints about Track A in Kansas (at 7-8), see J. G. Smith Reply Aff. ¶¶ 5-7; SBC's Dec. 20 Ex Parte; Birch's Dec. 29 Ex Parte.
- For IP Communications's complaint regarding interim rates (at 6-7), see Cleek Reply Aff. ¶¶ 22-25 and Jones Reply Aff. ¶¶ 44-51.
- For Sprint's complaints about local number portability conversions in Kansas (at 5-7), see D. Smith Reply Aff. ¶¶ 22-28; Dysart Reply Aff. ¶¶ 117-132. Southwestern Bell has made it clear that it "remains willing to reconcile its performance measurement data with Sprint or any other carrier," D. Smith Reply Aff. ¶ 26, yet Sprint has not made any

request to do so. Instead, it has chosen to make its unsupported allegations in this section 271 proceeding.

- For AT&T's complaints about the rates for reciprocal compensation (AT&T's Jan. 8 Flappan/Browne Decl. ¶ 12), it is sufficient merely to recognize that the reductions described in the December 28, 2000, Ex Parte Letter did not affect the recurring rates on elements constituting the UNE platform that are also reciprocal compensation elements, such as local switching, common transport, or tandem switching. In other words, the rate reductions have created no disparity between CLECs using the UNE platform and those using reciprocal compensation. While it is true that Southwestern Bell has reduced the non-recurring charge for dedicated transport, such transport is used in neither the UNE platform nor in reciprocal compensation.

CONCLUSION

The purpose of the new rates described in Southwestern Bell's December 28, 2000, Ex Parte Letter is to allay the concerns expressed by some commenters in this proceeding over the disparity among the UNE rates in Kansas, Oklahoma, and Texas. Southwestern Bell is not purporting to rely on these rates, however, as a basis for its Joint Application for relief under section 271. The rates incorporated into the K2A and the O2A were established by the KCC and OCC according to basic TELRIC principles, and there is no evidence whatsoever that either commission has committed clear errors in factual findings on matters so substantial that the rates they established fall outside the range that the reasonable application of TELRIC principles would produce. The new rates described in the December 28, 2000, Ex Parte Letter merely lower the initial TELRIC rates even further.


For all of the reasons discussed herein and in Southwestern Bell's prior filings in this proceeding, the Joint Application should be granted.

Respectfully submitted,

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January 12, 2001

“(RATE CHANGES) Amendment regarding the K2A Interconnection Agreement – Kansas”

Date: January 5, 2001

Number: **CLECK01-002**

Contact: Southwestern Bell Account Manager

Category: UNE

Please be advised that, effective immediately, Southwestern Bell (SWBT) will offer the Kansas 271 Interconnection Agreement (K2A) with new discounted rates for unbundled network elements (UNEs) in accordance with SWBT's ex parte filing with the Federal Communications Commission on December 28, 2000, in CC Docket No. 00-217. The amendments also incorporate changes to rates in compliance with the Kansas Corporation Commission's (KCC's) Order issued December 21, 2000 in Docket No. 97-SCCC-149-GIT.

The following K2A attachments/appendices have been amended to include the new discounted UNE rates:

- Attachment Resale - Page 4;
- Appendix Services/Pricing Exhibit A/B - all pages;
- Appendix Pricing UNE Schedule of Prices - all pages; and
- Attachment 25: xDSL - Pages 10-12.

These new UNE rates are immediately available for adoption by any CLEC that wishes to enter into the K2A, to amend its existing and approved K2A, or to "MFN" into approved K2A attachments/appendices containing the new rates and their legitimately related provisions as set forth in Attachment 26 of the K2A. Please note, however, that the rates do not become effective until the Kansas Corporation Commission approves a K2A or an amendment to an existing K2A containing these new rates.

The amended version of the K2A is now available on the CLEC web site at <https://clec.sbc.com/>, or, if you have not already done so, you may request the amended version of the K2A or any of the specific attachments/appendices from your Account Manager.

Please contact your Account Manager if you have any questions.

“(RATE CHANGES) Amendment regarding the O2A Interconnection Agreement – Oklahoma”

Date: January 5, 2001

Number: **CLECO01-001**

Contact: Southwestern Bell Account Manager

Category: UNE

Please be advised that, effective immediately, Southwestern Bell (SWBT) will offer the Oklahoma 271 Interconnection Agreement (O2A) with new discounted rates for unbundled network elements (UNEs) in accordance with SWBT's ex parte filing with the Federal Communications Commission on December 28, 2000, in CC Docket No. 00-217.

The following O2A attachments/appendices have been amended to include the new discounted UNE rates:

- Appendix Pricing UNE Schedule of Prices – all pages; and
- Attachment 25: xDSL – Pages 10 - 11

These new UNE rates are immediately available for adoption by any CLEC that wishes to enter into the O2A, to amend its existing and approved O2A, or to "MFN" into approved O2A attachments/appendices containing the new rates and their legitimately related provisions as set forth in Attachment 26 of the O2A. Please note, however, that the rates do not become effective until the Oklahoma Corporation Commission approves an O2A or an amendment to an existing O2A containing these new rates.

The amended version of the O2A is now available on the CLEC web site at <https://clec.sbc.com/>, or, if you have not already done so, you may request the amended version of the O2A or any of the specific attachments/appendices from your Account Manager.

Please contact your Account Manager if you have any questions.

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

JOINT APPLICATION OF LOGIX) CAUSE NO. PUD 200100006
COMMUNICATIONS CORPORATION)
AND SOUTHWESTERN BELL TELEPHONE)
COMPANY FOR APPROVAL OF)
AMENDMENT TO INTERCONNECTION)
AGREEMENT PURSUANT TO § 252(e) OF)
THE TELECOMMUNICATIONS ACT)
OF 1996) ORDER NO. **448119**

**FINAL ORDER APPROVING ADOPTION
OF AMENDMENT TO INTERCONNECTION AGREEMENT**

BY THE COMMISSION:

The Corporation Commission of the State of Oklahoma (the Commission) being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration and action the request for approval of Amendment No. 1 to O2A Interconnection Agreement between Logix Communications Corporation and Southwestern Bell Telephone Company.

Findings of Fact and Conclusions of Law

The Applicants filed an application seeking approval of the Amendment No. 1 (dated January 5, 2001) to O2A Interconnection Agreement entered into between the parties.

The Commission finds that it has jurisdiction over the above-entitled cause pursuant to 47 U.S.C. §252 (the Federal Act), Article IX, Section 18 of the Oklahoma Constitution, 17 O.S. (1996) §131, *et seq.*, and OAC 165:55. Further, the Commission finds that the parties have submitted proof of the execution of

Amendment No. 1 to the O2A Interconnection Agreement reflecting the agreement between the parties.

Further, the Commission finds that adoption of Amendment No. 1, dated January 5, 2001, is consistent with §§251 and 252 of the Federal Act, and OAC 165:55; that the Interconnection Agreement was approved in Cause No. PUD 97-560, Order No. 445180; and is consistent with the public interest, convenience and necessity; that it does not discriminate against a telecommunications service provider not a party to the Agreement; and that the amendment of the Interconnection Agreement is consistent with the pro-competitive aims of the Federal Act and the Commission's rules governing local exchange competition.


Order

IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION of the State of Oklahoma that the adoption of Amendment No. 1, dated January 5, 2001, to O2A Interconnection Agreement submitted herein, is hereby approved.

CORPORATION COMMISSION OF OKLAHOMA


BOB ANTHONY, CHAIRMAN

Concurring
Opinion
Attached


DENISE BODE, VICE-CHAIRMAN


ED APPLE, COMMISSIONER

DONE AND PERFORMED this 10th day of JANUARY, 2001.
BY ORDER OF THE COMMISSION:



Peggy Mitchell, Secretary

Concurring Opinion of Commissioner Anthony

Approval of today's order marks another significant step in the Commission's efforts to bring robust competition and meaningful customer choice to Oklahoma's local exchange telephone market.

The interconnection agreement between Logix and Southwestern Bell contains discounts of up to 25 percent on nonrecurring charges for additional Unbundled Network Elements (UNEs). UNEs are those portions of the Southwestern Bell system that other telephone companies may need to lease from the incumbent carrier in order to provide service to customers. Reducing these charges increases the likelihood of competitors being able to establish favorable operating margins, thus making Oklahoma a more attractive market.

Taken in conjunction with the discounts on the list of UNEs previously adopted as part of the Commission's Alternative Regulation Rules, today's order brings Oklahoma in line with the lower UNE rates recently adopted in Texas and Kansas. This meets the goal I announced over a year ago of making Oklahoma aggressively competitive with the UNE rates offered by the other states in the Bell region in order to create the most favorable climate to attract competitive local exchange companies to do business here.

As part of the negotiated interconnection agreement between Bell and Logix, these discounts become available to all other competitive local exchange companies, which may obtain them directly from Bell or by adopting this section of the Logix agreement under the Most Favored Nations provision.

In the Matter of)	
)	
Joint Application by SBC Communications Inc.,)	
Southwestern Bell Telephone Company, and)	
Southwestern Bell Communications Services,)	CC Docket No. 00-217
Inc. d/b/a Southwestern Bell Long Distance for)	
Provision of In-Region, InterLATA Services in)	
Kansas and Oklahoma)	

STATE OF MISSOURI)

CITY OF ST. LOUIS)

SUBJECT	PARAGRAPH
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We, Thomas G. Ries and Barbara A. Smith, being first duly sworn upon oath, do hereby depose and state as follows:

1. My name is Thomas G. Ries. I am Director – Cost Analysis and Regulatory at SBC Telecommunications Inc. My business address is One Bell Center, Room 38-C-03, St. Louis, Missouri 63101. I am the same Thomas G. Ries who filed cost affidavits pertaining to Kansas and Oklahoma in this proceeding.
2. My name is Barbara A. Smith. I am Director – Cost Analysis and Regulatory at SBC Telecommunications Inc. My business address is One Bell Center, Room 38-Y-3, St. Louis, MO 63101. I am the same Barbara A. Smith who filed cost affidavits pertaining to Kansas and Oklahoma in this proceeding.

PURPOSE OF THE AFFIDAVIT

3. The purpose of this affidavit is to respond to comments made by various parties concerning SWBT's cost based prices. AT&T Corp. ("AT&T") and Allegiance Telecom, Inc. ("Allegiance") allege that SWBT's cost are not TELRIC compliant, and Allegiance expresses concern that SBC is double recovering its costs.
4. AT&T again attempts to misrepresent the cost docket processes that took place before the state commissions by restating the same comments that have already been made before this Commission. Further, they bring in "new" evidence based on two cost models - the

Commission's Synthesis Model and the HAI Model – which were not approved for use in determining costs in either the Kansas or the Oklahoma state cost proceedings.

5. AT&T also appears to be attempting to relitigate well-settled issues from the state proceedings in this joint Section 271 application, in an attempt to disprove what the Oklahoma Corporation Commission ("OCC") and the Kansas Corporation Commission ("KCC") have already approved as forward-looking Total Element Long Run Incremental Costs ("TELRIC"). SWBT has already demonstrated that the costs are different among the states, logically resulting in different prices, but we will summarize those points again here.

**SWBT HAS SUBMITTED EVIDENCE THAT THE KANSAS AND OKLAHOMA
PRICES ARE TELRIC BASED**

6. The records of both Kansas and Oklahoma are clear that the state commissions exercised their authority pursuant to the Federal Telecommunications Act and the Commission's orders to review state-specific costs and set prices by reviewing the evidence introduced in the state proceedings. It is also clear that the Kansas and Oklahoma commissions addressed the controversies involving the inputs to the cost studies and that neither the cost model nor model methodology should be in question. The proceedings at the state commissions are summarized in this section.
7. As explained in the Reply Affidavit of Thomas G. Ries and Barbara A. Smith filed Dec. 11, 2000 in this docket, all of the cost models filed by SWBT in Kansas, Oklahoma, and Texas

utilized the same methodology for identifying TELRIC costs. Each state jurisdiction first focused its proceedings on choosing the appropriate cost models that best embodied the FCC's TELRIC pricing principles. In each of these proceedings, the CLECs and other interested parties either filed or had opportunities to file their own cost models that, from their prospective, embodied the FCC's TELRIC principles. In each instance SWBT's cost models were chosen as the appropriate models to support TELRIC based prices, notwithstanding the fact the outcomes of each of these proceedings produced different costs.

8. The OCC established TELRIC prices for UNEs and interconnection in connection with two separate proceeding in 1997. In those proceedings, all parties, including AT&T, stipulated to accept SWBT's cost methodology and the CLECs agreed they would only challenge the inputs to the cost studies (*i.e.*, the underlying cost numbers). Hearings were conducted in March, 1998, and in July, 1998, the OCC issued its order establishing cost based prices for UNEs and interconnection.
9. In Kansas, the cost docket was initiated in the fall of 1996, before the KCC at the request of the CLECs to set TELRIC-based costs. In connection with those proceedings, the KCC reviewed various cost models including AT&T's proposed Hatfield Model, Sprint's proposed BCPM and SWBT's TELRIC models. On December 19, 1997, the KCC adopted SWBT's TELRIC cost models and ruled that the proceeding would be limited to a determination of the appropriate inputs to the cost model.

10. In conjunction with the further Kansas proceedings on costs, several workshops were conducted to familiarize parties with SWBT's cost studies and methodologies and SWBT filed its cost studies and cost results. Certain parties to the cost proceeding, including AT&T, filed comments on SWBT's cost study results. AT&T also filed its own restatement of SWBT's cost studies. On February 19, 1999, the KCC issued its order establishing prices for UNEs and, following Petitions for Reconsideration, on September 17, 1999, the KCC issued its order adopting a revised schedule of recurring prices and those prices have been in effect since that date.
11. In the September 17, 1999 Order the KCC also ordered SWBT to rerun its non-recurring cost studies. SWBT filed its re-run of non-recurring studies and the parties filed comments on the re-run studies. AT&T also filed its restatement of SWBT's cost studies. On November 3, 2000, the KCC issued its Order Regarding Non-Recurring Charges for Unbundled Network Elements that established final prices for SWBT's non-recurring UNEs. The KCC ruled on petitions for reconsideration to its November order in its December 21, 2000 reconsideration order.

**DIFFERENT STATES WITH DIFFERENT COSTS WILL LOGICALLY COME TO
DIFFERENT TELRIC RATES**

12. A basic assumption running throughout AT&T's comments is that because the Kansas and Oklahoma prices are higher than the prices that have been found to be TELRIC for Texas, then the Kansas and Oklahoma prices must not be based upon TELRIC. The fallacy with this argument is that, even if cost models are identical, cost inputs are not identical, or even

substantially the same, for each of the various states. There are numerous physical characteristics and factors that differ between the states that result in differences in costs.

13. Even this Commission recognized that costs between states are not identical when it adopted different proxy rate ceilings for local loops in Appendix B to the First Report and Order. The proxy rate ceilings for local loops in Kansas and Oklahoma were both higher than the proxy rate ceiling for local loops in Texas.
14. Our reply affidavit filed December 11, 2000 shows, for example, that loop costs do vary between states even when wire centers of similar size are compared. These differences are due to loop length of feeder and distribution plant, fill factors in feeder and distribution plant, the cost of placing cable in each state, and the mix of aerial, buried and underground cable. See Exhibit B, C, and D of the Reply Affidavit of Smith and Ries. These cost variations are also described and referenced in the Ries affidavits for each of the respective state 271 filings.¹

¹ For Kansas, see Affidavit of Thomas G. Ries, *Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, CC Docket No. 00-217 (FCC filed Oct. 26, 2000) ("Ries Aff."). Attachment A to that affidavit contains a Description of Unbundled Network Element Cost Studies. Attachment B to that affidavit contains the list of arbitration cost studies. For Oklahoma see Affidavit of J. Michael Moore, *Application of the Attorney General of the state of Oklahoma, et al., to Explore Southwestern Bell Telephone Company's Compliance With Section 271(C) of the Telecommunications Act of 1996*, Cause No. PUD 970000560 (OCC filed Feb. 13, 1998) ("Moore Aff."). Exhibit 1 to that affidavit contains a Description of Unbundled Network Element Cost Studies. Exhibit 2 to that affidavit contains the list of arbitration cost studies.

AT&T COST REBUTTAL IS NOT PERSUASIVE

15. AT&T's challenge to SWBT's costs is based upon the affidavit of Dr. Richard N. Clarke. Dr. Clarke did not participate in any of the cost proceedings that led up to each of the state pricing decisions. The substance of his comments would indicate that Dr. Clarke has either not reviewed the SWBT documents provided in this proceeding or has affirmatively chosen to disregard SWBT's evidence. For the most part, Dr. Clarke does not even attempt to refute SWBT's cost materials, seeking instead to introduce new information.

16. The basis of Dr. Clarke's criticisms is that the recurring charges for UNE-P in Oklahoma are significantly higher than the equivalent recurring charges in both Kansas and in Texas and that SBC has not provided any verifiable cost justification for the higher charge in Oklahoma versus Kansas and Texas.² But we have already demonstrated that loop costs do vary between states even when wire centers of similar size are compared. These cost variations were described and referenced in the Ries affidavits for each of the respective state 271 filings. We also explained that the unbundled loop costs included loop components, loop samples, cable investment, cable mix, fill factors, Digital Loop Carrier Investment, non-recurring costs and other loop costs. We described the End Office Switching Costs, Signaling, and Transport Costs that included equipment investments, models, usage and non-recurring costs. We also demonstrated how the capital costs of depreciation, cost of capital, and operating expense recovery and common costs were derived. This information, as well as the thousands of inputs and model calculations

² See Declaration of Richard N. Clarke on behalf of AT&T Corp., Paragraph 6, CC Docket No. 00-217.

presented in the studies themselves, are summarized in Attachments B and C to the joint Ries and Smith reply affidavit filed December 11, 2000.

17. Both the Kansas and Oklahoma commissions found each of the set of rates to be forward-looking and TELRIC based. Each of these state commissions utilized the very models and inputs supplied by SWBT to make those conclusions. SWBT has provided hundreds of cost inputs, cost documentation, cost models, cost studies, cost results, testimony and attachments that directly rebut Dr. Clarke's assertions. Indeed the cost information provided to each state commission, this Commission, and all of the information available to all of the parties in this proceeding constitutes more cost information than SWBT or its affiliates have provided in any prior state or federal cost filing. The results of SWBT's cost studies and each of the state commission findings clearly show recurring and non-recurring cost differences among states, rate elements, and zones. These cost differences combined with each state commissions decision result in differing prices between the states.

THE USE OF OTHER MODEL DATA IS INAPPROPRIATE

18. Dr. Clarke has introduced cost models that are not part of this record; indeed, the HAI Model in Kansas has been rejected by the state commissions. None of these models that Dr. Clarke uses were ever reviewed by any of the parties (SWBT, AT&T, Sprint, MCI, State Commissions, the DOJ, any other intervening parties or the FCC) for the purpose of developing UNE prices in each state. Instead, Dr. Clarke would have this Commission ignore the evidence of cost-based differences and only have this Commission focus on price

differences among the states. The record in both Kansas and Oklahoma reveals that each commission made reasonable decisions in applying the Commission's TELRIC principles.

19. Dr. Clarke relies upon the Commission's Synthesis Model and the HAI Model to advocate that other sources of cost information do not support the conclusion that costs in Oklahoma should exceed those in Kansas and Texas³ and infers therefrom that the rates are incompatible with TELRIC. But the Hatfield or "HAI" model was rejected in Kansas as not representing SWBT's forward-looking TELRIC based costs. In Oklahoma, the parties stipulated that SWBT's models would be used to identify the forward-looking TELRIC based costs. Moreover, the Commission's Synthesis Model was developed for universal service. It was not developed as the "model" from which to derive UNE rates. Therefore, the use of "costs" derived from any model rejected by the state commissions, or not ordered by the state commissions, is entirely inappropriate.
20. Dr. Clarke uses the fact that the HAI Model has similar inputs and zone definitions for each state to attempt to justify his position that the states should have similar prices. His use of the HAI Model, however, introduces yet another definition of "zones." Each jurisdiction (Kansas, Oklahoma and Texas) made separate determinations of what would be included in each states geographic rate zone. Each of these state geographic rate zones were based on, in part, retail rate groups. The zones determined by each of the state commissions are not compatible with the HAI application of density zones.⁴ Attempting to use the HAI model

³ Id.

⁴ This Commission in their development of default rates, and the HAI hypothetical proxy model, do develop cost differences from wire center to wire center.

density zones to contrast with the geographic rate zones determined by the state commissions is comparing apples and oranges. SWBT has already explained the reason for the price differences between the states. Introducing yet another definition of “zones” only confuses the issues in this proceeding.

21. Moreover, SWBT has already explained the differences in applying the “zones” in each of the states. In addition to the significant number of cost studies and input values filed in this proceeding, Attachments B and C to the Ries and Smith Joint Reply Affidavit explain in great detail the various cost differences among Kansas, Oklahoma and Texas and explain how each state commission ordered different inputs.

AT&T PROVIDES NO BASIS TO OVERRULE SWBT’S NON-RECURRING COSTS

22. In paragraph 7 of his affidavit, Dr. Clarke states that he is aware of no reason why there should be any substantial differences in non-recurring charges (“NCRs”) between Texas, Kansas and Oklahoma. He relies on the KCC’s statement that NCRs should not be expected to vary significantly. The KCC’s statement apparently is based on the assumption that the rate elements and commission ordered inputs in each state (such as time estimates, labor rates and fall-out estimates) are all the same. This assumption is not necessarily accurate as each state had different rate elements that were considered, which results in differences in how the costs were handled. For example, as stated in our joint reply affidavit, Texas disallowed installation functions associated with central office and

customer premises work. The Kansas and Oklahoma Commissions however appropriately included these very real costs in development of non-recurring charges.⁵

23. The data supplied in the Ries-Smith Joint Reply Affidavit, Attachment D, and the studies that included all of the input assumptions such as time estimates, labor rates and probability of occurrence formed the basis for each state commission's decisions on non-recurring rates. Each commission reached different conclusions with respect to time estimates, labor rates, and fallout.
24. Finally, each state commission also reached different conclusions about the TELRIC data supplied to them by each of the various parties on NRC issues. Some changes were made to the labor rates, fall-out rates, and time estimates (e.g. Kansas changed the SWBT labor rates by removing Transition Benefit Obligations), while some simply cut their rates from the cost results (e.g., Texas simply established some rates at half the level of the appropriate costs).⁶

THERE IS NO DOUBLE RECOVERY OF SWBT COSTS

25. In footnote 10 of its Supplemental Comments dated January 8, 2001, Allegiance addresses the Central Office Access Charge ("COAC") and questions whether there is double recovery for these items. There is no double recovery of these items in SWBT's costing and pricing. First, as described in paragraph 45 of SWBT's Ries-Smith Reply Affidavit filed

⁵ See paragraph 45 of the Ries and Smith reply affidavit filed December 11, 2000.

⁶ *Id.* ¶¶ 5-8.

December 11, 2000, there are differences in costs of nonrecurring elements across the states. Texas retail tariffs have differing rate elements for recovering loop connection costs. Specifically, the Texas retail tariffs have a COAC and a Trip charge. In the development of the Texas UNE cost, SWBT developed a Switching Service Center (“SSC”) and also proposed a COAC and TRIP charge to recover the installation functions performed at the central office and the customer premises. The Texas Commission refused to allow recovery of these very real costs and set the nonrecurring loop rate at \$15.03.⁷ In Kansas and Oklahoma the cost for the activities to perform the SCC and installation functions were included in the single UNE non-recurring rate elements (for example, 2-Wire Cross-connect Costs and Analog Line-Side Port Costs). These costs also considered the probability of occurrence that each of the activities will occur,⁸ and each of these UNE rate elements recovers costs to provide each activity.

26. The K2A and O2A include a separate charge identified as “COAC” that reflects the market-based price for SWBT-performed combining of unbundled network elements. This market-based charge applies in addition to the recurring and non-recurring rates for individual unbundled network elements. The application of the COAC in the K2A and O2A is identical to that already reviewed by this Commission in the T2A in the Texas Order.⁹ In reviewing SBC’s Texas 271 application, the Commission noted that parties contended that

⁷ Id.; see Attachment D.

⁸ Id.; see Attachment D.

⁹ Memorandum Opinion and Order, Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas, CC Docket No. 00-65, FCC 00-238 (rel. June 30, 2000).

the “COAC double-recovers costs recouped through the nonrecurring charges assessed on the individual elements” (Texas Order ¶ 234). The Commission concluded however that “We are also precluded by the Eighth Circuit’s holding from denying this application on the ground that SWBT has somehow violated the Act by setting particular pricing conditions on the provision of UNE combinations that, under the Eighth Circuit’s decision, it need not provide at all. For this reason, we have not examined the prices associated with the UNE combinations that SWBT is not required to provide.” Id. ¶ 235. Given that the provisions in the K2A and O2A are identical to the provisions in the T2A, the Commission should reach an identical finding here.

CONCLUSION

27. SWBT filed TELRIC based cost studies with both the Kansas and Oklahoma Commissions. These cost studies were based upon the forward looking costs of providing interconnection and unbundled network elements utilizing the most efficient technology at SWBT’s existing wire centers. These TELRIC based cost studies demonstrated that the cost of providing interconnection and unbundled network elements is different in Kansas and Oklahoma, and both are different from Texas. Both the KCC and the OCC conducted an extensive review of SWBT’s proposed costs studies and the TELRIC based cost studies proffered by other parties. After this review, both the KCC and the OCC set prices based upon these TELRIC based cost studies. Hence, the prices contained in the Kansas 271 Agreement and Oklahoma 271 Agreement are based on this Commission’s TELRIC principles.

28. Based on the foregoing evidence, it is clear that the costs provided by SWBT for both Kansas and Oklahoma meet the requirements of the Act as well as the forward-looking requirements of the FCC's Local Competition Order.

This concludes our affidavit.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on January 10, 2001.

Barbara A. Smith

Barbara A. Smith

Director – Cost Analysis and Regulatory

Thomas G. Ries

Thomas G. Ries

Director – Cost Analysis and Regulatory

STATE OF Missouri
CITY OF St. Louis

Subscribed and sworn to before me
this 10 day of January, 2001.

Susan M. Truesdell
Notary Public

SUSAN M. TRUESDELL
Notary Public – Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Aug. 31, 2003